

AMENDED IN ASSEMBLY AUGUST 15, 2016

AMENDED IN ASSEMBLY JUNE 16, 2016

AMENDED IN SENATE APRIL 6, 2016

SENATE BILL

No. 1192

Introduced by Senator Hill

(Principal coauthors: Assembly Members Medina and Salas)

February 18, 2016

An act to amend Sections 94809, 94874, 94874.2, 94874.5, 94874.7, 94874.8, 94878, 94880, 94885, 94885.1, 94885.5, 94889, 94905, 94909, 94923, 94930.5, 94932, 94936, 94937, ~~and 94944~~ 94944, *and* 94950 of, to add Sections ~~94801.5~~ 94801.5, 94850.5, and 94934.5 to, to add and repeal ~~Article 20.5 (commencing with Section 94949.5)~~ and Article 20.6 (commencing with Section 94949.7) ~~to~~ *of* Chapter 8 of Part 59 of Division 10 of Title 3 of, and to repeal Section 94879 of, the Education Code, relating to private postsecondary education, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1192, as amended, Hill. Private postsecondary education: California Private Postsecondary Education Act of 2009.

Existing law, the California Private Postsecondary Education Act of 2009, provides, among other things, for student protections and regulatory oversight of private postsecondary institutions in the state. The act is enforced by the Bureau for Private Postsecondary Education within the Department of Consumer Affairs. The act exempts an institution from its provisions if any of a list of specific criteria are met. ~~Existing law repeals the act on January 1, 2017.~~

This bill would recast and revise various provisions of the act. ~~The bill would require the Director of Consumer Affairs to appoint an enforcement monitor, no later than March 1, 2017, to, among other duties, monitor and evaluate the bureau's enforcement of the act and submit written reports to the department and the Legislature on his or her findings and conclusions, as specified.~~ The bill would increase the amount of a fine that may be issued to a person for operating an institution without proper approval to operate from \$50,000 to \$100,000. ~~The bill would, to the extent authorized by federal law, would require a private postsecondary institution that does not maintain a physical presence in California and offers distance education to California students an out-of-state private postsecondary educational institutions, as defined, to comply with specified requirements, including register with the bureau, providing the bureau evidence of the institution's accreditation. The bill would authorize the bureau to adopt, by regulation, a process that allows an institution with approval to operate to request and receive inactive status.~~ The bill would require an institution with approval to operate that knows or reasonably should know that it is being investigated, is the subject of a judgment, a regulatory action, or increased oversight or monitoring by, or is the subject of a settlement with, an oversight entity other than the bureau to report it to the bureau, as specified. *The bill would adjust annual fees charged to an institution with approval to operate, as specified.*

This bill would establish an Office of Student Assistance and Relief ~~within the department~~ to advance and promote the rights of private postsecondary educational institution students, as specified. *The bill would require the office to report quarterly by posting on the bureau's Internet Web site, through September 1, 2018, specified information related to assistance it provides to these students. The bill would require the office to submit a report to the Legislature, the department, and the bureau summarizing that information by January 1, 2019.*

~~This bill would appropriate the sum of \$1,300,000 from the Student Tuition Recovery Fund to the office for providing grants to eligible nonprofit community service organizations to assist eligible students affected by the closure of Corinthian Colleges, Inc., as defined, with loan discharge and other student loan-related requests and tuition recovery-related claims, as specified. The bill would require the office to solicit grant applications from eligible nonprofit community service organizations and select one or more of these organizations deemed to be qualified. The bill would require the grantee to submit specified~~

~~information to the office on a quarterly basis and would require the office to make these reports available to the Legislature and the department upon request. The bill would require the office to provide the Legislature and the department a final report summarizing all the information submitted to it by grantees, promptly following the time when all funds are expended by the grantees, or by January 1, 2020, whichever is earlier.~~

The act establishes the Student Tuition Recovery Fund and requires the bureau to adopt regulations governing the administration and maintenance of the fund, including requirements relating to assessments on students and student claims against the fund, and establishes that the moneys in this fund are continuously appropriated to the bureau for specified purposes.

This bill would make a California student of a Corinthian Colleges, Inc., institution, who meets all of the other eligibility requirements, eligible for recovery from the fund. To the extent that the bill expands the purposes of the fund, the bill would make an appropriation.

Existing law repeals the act on January 1, 2017.

This bill would instead repeal the act on January 1, 2021, thus extending the operation of the act by 4 years. By extending operation of the Student Tuition Recovery Fund, a continuously appropriated fund, this bill would make an appropriation.

Under existing law, the act specifies conduct by regulated institutions that, if undertaken, is a crime.

Because this bill would extend the application of those criminal provisions, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 94801.5 is added to the Education Code,
2 to read:

1 94801.5. (a) Effective July 1, 2017, ~~a private entity with no~~
2 ~~physical presence in this state that provides postsecondary~~
3 ~~education to California students for an institutional charge shall~~
4 ~~an out-of-state private postsecondary educational institution shall~~
5 ~~register with the bureau, pay a fee in an amount commensurate~~
6 ~~with the cost of registration, as determined by the bureau, and~~
7 comply with all of the following:

8 (1) ~~The institution shall register with the bureau and provide~~
9 ~~information required by the bureau. The bureau shall adopt, by~~
10 ~~regulation, a process and procedure whereby the institution may~~
11 ~~apply for and obtain registration. provide the bureau with all of~~
12 ~~the following information:~~

13 ~~(2) The institution shall be accredited.~~

14 ~~(A) Evidence of accreditation.~~

15 ~~(3) The institution shall be~~

16 ~~(B) Evidence that the institution is approved to operate in the~~
17 ~~state where the institution is incorporated. maintains its main~~
18 ~~administrative location.~~

19 ~~(C) The agent for service of process consistent with Section~~
20 ~~94943.5.~~

21 ~~(D) A copy of the institution's catalog and sample enrollment~~
22 ~~agreement.~~

23 ~~(4)~~

24 (2) The institution shall comply with the requirements of the
25 Student Tuition Recovery Fund, established in Article 14
26 (commencing with Section 94923), ~~and implementing regulations~~
27 ~~adopted by the bureau related to the fund, for its California~~
28 ~~students. students residing in California.~~

29 ~~(5)~~

30 (3) The institution shall ~~provide a disclosure, approved by the~~
31 ~~bureau, to its California students on their rights and obligations~~
32 ~~under the Student Tuition Recovery Fund. disclosures pursuant~~
33 ~~to the requirements for the Student Tuition Recovery Fund,~~
34 ~~established in Article 14 (commencing with Section 94923), and~~
35 ~~implementing regulations adopted by the bureau related to the~~
36 ~~fund, for its students residing in California.~~

37 (b) This section does not apply to nonpublic higher education
38 institutions that grant undergraduate degrees, graduate degrees, or
39 both, and that are formed as nonprofit corporations and are

1 accredited by an agency recognized by the United States
2 Department of Education.

3 (c) An institution described in subdivision (a) that fails to
4 comply with this section is not authorized to operate in this state.

5 ~~(d) The bureau shall adopt emergency regulations for purposes~~
6 ~~of implementing this section. The adoption of these regulations~~
7 ~~shall be deemed to be an emergency and necessary for the~~
8 ~~immediate preservation of the public peace, health and safety, or~~
9 ~~general welfare for purposes of Sections 11346.1 and 11349.6 of~~
10 ~~the Government Code. These emergency regulations shall become~~
11 ~~law through the regular rulemaking process by January 1, 2018.~~

12 *(d) The bureau shall adopt emergency regulations for purposes*
13 *of implementing this section. The adoption of these regulations*
14 *shall be deemed to be an emergency and necessary for the*
15 *immediate preservation of the public peace, health and safety, or*
16 *general welfare for purposes of Sections 11346.1 and 11349.6 of*
17 *the Government Code. These emergency regulations shall become*
18 *law through the regular rulemaking process by January 1, 2018.*

19 SEC. 2. Section 94809 of the Education Code is amended to
20 read:

21 94809. (a) An institution that had an application for an
22 approval to operate pending with the former Bureau for Private
23 Postsecondary and Vocational Education on June 30, 2007, may
24 continue to operate until a decision is made in regard to the
25 institution regarding the application for approval to operate, but
26 shall comply with, and is subject to, this chapter.

27 (b) An institution that did not have a valid approval to operate
28 issued by, and did not have an application for approval to operate
29 pending with, the former Bureau for Private Postsecondary and
30 Vocational Education on June 30, 2007, that began operations
31 between July 1, 2007, and January 1, 2010, and filed an application
32 to operate by August 2, 2010, may continue to operate unless a
33 denial of approval to operate has been issued and has become final,
34 but shall comply with, and is subject to, this chapter.

35 (c) Students seeking to enroll in institutions operating under
36 subdivisions (a) and (b) shall be notified by the institution, in
37 writing and prior to executing an enrollment agreement, that the
38 institution's application for approval to operate has not been
39 reviewed by the bureau.

(d) (1) An institution that is denied an approval to operate pursuant to subdivision (a) or (b) may file an appeal pursuant to the procedures established in Section 94888.

(2) An institution that has filed an appeal pursuant to paragraph (1) may continue to operate during the appeal process but must disclose in a written statement approved by the bureau, to all current and prospective students, that the institution's application for approval to operate was denied by the bureau because the bureau determined the application did not satisfy the requirements to operate in California, that the institution is appealing the bureau's decision, and that the loss of the appeal may result in the institution's closure.

(3) If the bureau determines that the continued operation of an institution poses a significant risk of harm to students, the bureau shall make an emergency decision pursuant to Section 94938.

SEC. 3. Section 94850.5 is added to the Education Code, to read:

94850.5. "Out-of-state private postsecondary educational institution" means a private entity without a physical presence in this state that offers distance education to California students for an institutional charge.

~~SEC. 3.~~

SEC. 4. Section 94874 of the Education Code is amended to read:

94874. Except as provided in Sections 94874.2 and 94874.7, the following are exempt from this chapter:

(a) An institution that offers solely avocational or recreational educational programs.

(b) (1) An institution offering educational programs sponsored by a bona fide trade, business, professional, or fraternal organization, solely for that organization's membership.

(2) (A) Except as provided in subparagraph (B), a bona fide organization, association, or council that offers preapprenticeship training programs, on behalf of one or more Division of Apprenticeship Standards-approved labor-management apprenticeship programs that satisfies one of the following conditions:

(i) It is not on the Eligible Training Provider List established and maintained by the California Workforce Investment Board but has met the requirements for placement on the list.

1 (ii) It is on the Eligible Training Provider List established and
2 maintained by the California Workforce Investment Board and
3 meets the requirements for continued listing.

4 (B) If an organization, association, or council has been removed
5 from the Eligible Training Provider List established and maintained
6 by the California Workforce Investment Board for failure to meet
7 performance standards, it is not exempt until it meets all applicable
8 performance standards.

9 (c) A postsecondary educational institution established, operated,
10 and governed by the federal government or by this state or its
11 political subdivisions.

12 (d) An institution offering either of the following:

13 (1) Test preparation for examinations required for admission to
14 a postsecondary educational institution.

15 (2) Continuing education or license examination preparation,
16 if the institution or the program is approved, certified, or sponsored
17 by any of the following:

18 (A) A government agency, other than the bureau, that licenses
19 persons in a particular profession, occupation, trade, or career field.

20 (B) A state-recognized professional licensing body, such as the
21 State Bar of California, that licenses persons in a particular
22 profession, occupation, trade, or career field.

23 (C) A bona fide trade, business, or professional organization.

24 (e) (1) An institution owned, controlled, and operated and
25 maintained by a religious organization lawfully operating as a
26 nonprofit religious corporation pursuant to Part 4 (commencing
27 with Section 9110) of Division 2 of Title 1 of the Corporations
28 Code, that meets all of the following requirements:

29 (A) The instruction is limited to the principles of that religious
30 organization, or to courses offered pursuant to Section 2789 of
31 Business and Professions Code.

32 (B) The diploma or degree is limited to evidence of completion
33 of that education.

34 (2) An institution operating under this subdivision shall offer
35 degrees and diplomas only in the beliefs and practices of the
36 church, religious denomination, or religious organization.

37 (3) An institution operating under this subdivision shall not
38 award degrees in any area of physical science.

39 (4) Any degree or diploma granted under this subdivision shall
40 contain on its face, in the written description of the title of the

1 degree being conferred, a reference to the theological or religious
2 aspect of the degree's subject area.

3 (5) A degree awarded under this subdivision shall reflect the
4 nature of the degree title, such as "associate of religious studies,"
5 "bachelor of religious studies," "master of divinity," or "doctor of
6 divinity."

7 (f) An institution that does not award degrees and that solely
8 provides educational programs for total charges of two thousand
9 five hundred dollars (\$2,500) or less when no part of the total
10 charges is paid from state or federal student financial aid programs.
11 The bureau may adjust this cost threshold based upon the California
12 Consumer Price Index and post notification of the adjusted cost
13 threshold on its Internet Web site, as the bureau determines,
14 through the promulgation of regulations, that the adjustment is
15 consistent with the intent of this chapter.

16 (g) A law school that is accredited by the Council of the Section
17 of Legal Education and Admissions to the Bar of the American
18 Bar Association or a law school or law study program that is
19 subject to the approval, regulation, and oversight of the Committee
20 of Bar Examiners, pursuant to Sections 6046.7 and 6060.7 of the
21 Business and Professions Code.

22 (h) A nonprofit public benefit corporation that satisfies all of
23 the following criteria:

24 (1) Is qualified under Section 501(c)(3) of the United States
25 Internal Revenue Code.

26 (2) Is organized specifically to provide workforce development
27 or rehabilitation services.

28 (3) Is accredited by an accrediting organization for workforce
29 development or rehabilitation services recognized by the
30 Department of Rehabilitation.

31 (i) An institution that is accredited by the Accrediting
32 Commission for Senior Colleges and Universities, Western
33 Association of Schools and Colleges, or the Accrediting
34 Commission for Community and Junior Colleges, Western
35 Association of Schools and Colleges.

36 (j) Flight instruction providers or programs that provide flight
37 instruction pursuant to Federal Aviation Administration regulations
38 and meet both of the following criteria:

39 (1) The flight instruction provider or program does not require
40 students to enter into written or oral contracts of indebtedness.

(2) The flight instruction provider or program does not require or accept prepayment of instruction-related costs in excess of two thousand five hundred dollars (\$2,500).

~~SEC. 4.~~

SEC. 5. Section 94874.2 of the Education Code is amended to read:

94874.2. Beginning January 1, 2016, an institution that is approved to participate in veterans' financial aid programs pursuant to Section 21.4253 of Title 38 of the Code of Federal Regulations that is not an independent institution of higher education, as defined in subdivision (b) of Section 66010, shall not be exempt from this chapter.

~~SEC. 5.~~

SEC. 6. Section 94874.5 of the Education Code is amended to read:

94874.5. An institution that is otherwise exempt from this chapter shall comply with the requirements of Section 94927.5.

~~SEC. 6.~~

SEC. 7. Section 94874.7 of the Education Code is amended to read:

94874.7. The bureau shall establish, by regulation, a process pursuant to which an institution that is exempt from this chapter may request, and obtain, from the bureau verification that the institution is exempt. The verification shall be valid for a period of up to two years, as long as the institution maintains full compliance with the requirements of the exemption. The bureau shall establish a reasonable fee to reimburse the bureau's costs associated with the implementation of this section.

~~SEC. 7.~~

SEC. 8. Section 94874.8 of the Education Code is amended to read:

94874.8. (a) An institution exempt from all or part of this chapter pursuant to subdivision (i) of Section 94874 or Section 94874.1 may apply to the bureau for an approval to operate pursuant to this section, but only subject to all of the following provisions:

(1) The bureau may approve the operation of an institution that is exempt from all or part of this chapter as specified above in accordance with the authority granted pursuant to Article 6 (commencing with Section 94885). Upon issuing an approval to

1 operate to an institution pursuant to this section, the bureau is
2 authorized to regulate that institution through the full set of powers
3 granted, and duties imposed, by this chapter, as those powers and
4 duties would apply to an institution that is not exempt from this
5 chapter.

6 (2) Notwithstanding any other law, upon issuance of an approval
7 to operate pursuant to this section, the institution is no longer
8 eligible for exemption, from the provisions of this chapter pursuant
9 to subdivision (i) of Section 94874 or Section 94874.1, unless
10 authorized by subsequent legislation.

11 (3) Upon issuance of an approval to operate pursuant to this
12 section, an institution is subject to all provisions of this chapter,
13 and any regulations adopted pursuant to this chapter, that apply to
14 an institution subject to this chapter, except as expressly provided
15 in paragraph (4).

16 (4) (A) With respect to the placement and salary or wage data
17 required to be collected, calculated, and reported by Article 16
18 (commencing with Section 94928), an institution issued an
19 approval to operate pursuant to this section is not required to report
20 on its first School Performance Fact Sheet any data from the period
21 prior to the date of the issuance of the approval to operate that the
22 institution was not required to collect and does not have available
23 to it. An institution shall, however, report available data collected
24 and calculated in accordance with this chapter and applicable
25 regulations, regardless of the purpose for which the data was
26 collected. If the required data is unavailable, the institution shall
27 also disclose the unavailability of the data on all documents
28 required by this chapter and regulations adopted pursuant to this
29 chapter. Upon receiving an approval to operate pursuant to this
30 section, an institution shall commence to collect and calculate all
31 information necessary to comply with Article 16 (commencing
32 with Section 94928).

33 (B) An institution receiving an approval to operate pursuant to
34 this section shall provide to prospective students the School
35 Performance Fact Sheet, file that fact sheet with the bureau, and
36 post it on the institution's Internet Web site no later than the first
37 August 1 after the institution is approved to operate and no later
38 than August 1 of each year thereafter. These School Performance
39 Fact Sheets shall report data for the previous two calendar years
40 based upon the number of students who began the program or the

1 number of graduates for each reported calendar year. If two
2 calendar years have not passed since the issuance of the approval
3 to operate by the August 1 deadline for the School Performance
4 Fact Sheet, unless data for two years is available, the institution
5 shall report the required data for the period subsequent to the date
6 of the issuance of the notice of approval.

7 (b) An institution exempt from all or part of this chapter pursuant
8 to subdivision (i) of Section 94874 or Section 94874.1 that was
9 approved to operate by the bureau before the effective date of this
10 section shall be deemed to have been approved pursuant to this
11 section.

12 ~~SEC. 8.~~

13 *SEC. 9.* Section 94878 of the Education Code is amended to
14 read:

15 94878. (a) The bureau shall establish an Internet Web site that
16 includes at least all of the following information:

- 17 (1) An explanation of the bureau's scope of authority.
18 (2) (A) A directory of approved institutions, and a link, if
19 feasible, to the Internet Web site of each institution.
20 (B) For each institution, the directory shall be developed in a
21 manner that allows the user to search by institution and shall
22 include all of the following information:
23 (i) The status of the institution's approval to operate.
24 (ii) The information provided by the institutions, including, but
25 not limited to, the annual report, as required by Section 94934,
26 including the school catalog and the School Performance Fact
27 Sheet. The School Performance Fact Sheet shall be maintained on
28 the directory for at least five years after the date of its submission
29 to the bureau.
30 (iii) If a law school satisfies the requirements of this chapter
31 regarding a School Performance Fact Sheet by complying with
32 the requirements of Section 94910.5, the bureau shall include the
33 information provided by the institution pursuant to Section 94910.5
34 on its Internet Web site and shall maintain the information in the
35 same manner as required by clause (ii).
36 (iv) The disciplinary history of the institution, which shall
37 include, but shall not be limited to, all of the following:
38 (I) Pending formal accusations filed by the bureau.

1 (II) Suspensions, revocations, citations, fines, infractions,
2 probations, pending litigation filed by the bureau, and final
3 judgments resulting from litigation filed by the bureau.

4 (III) Pending or final civil or criminal cases filed by the Attorney
5 General, a city attorney, or a district attorney in this state, or filed
6 in any state by an attorney general or a federal regulatory or
7 prosecutorial agency of which the bureau has received notice.

8 (IV) Final administrative actions by the United States
9 Department of Education, including orders requiring restitution to
10 students.

11 (V) All disciplinary actions ordered by an accreditation agency,
12 including any order to show cause, of which the bureau has
13 received notice pursuant to Section 94934 or other information
14 otherwise publicly available of which the bureau has received
15 notice.

16 (b) The bureau shall maintain the Internet Web site described
17 in subdivision (a). The bureau shall ensure that the information
18 specified in subdivision (a) is kept current. The bureau shall update
19 the Internet Web site at least annually, to coincide with the
20 submission of annual reports by the institutions pursuant to Section
21 94934.

22 (c) (1) The bureau shall post on its Internet Web site a list of
23 all institutions that were denied approval to operate, after the denial
24 is final, and describe in clear and conspicuous language the reason
25 the institution was denied approval. The bureau shall include with
26 this list the statement provided in paragraph (2) on its Internet Web
27 site.

28 (2) “The following institutions were denied approval to operate
29 by the Bureau for Private Postsecondary Education for failing to
30 satisfy the standards relating to educational quality, or consumer
31 protection, or both. These unlicensed institutions are not operating
32 in compliance with the law, and students are strongly discouraged
33 from attending these institutions.”

34 ~~SEC. 9.~~

35 *SEC. 10.* Section 94879 of the Education Code is repealed.

36 ~~SEC. 10.~~

37 *SEC. 11.* Section 94880 of the Education Code is amended to
38 read:

1 94880. (a) There is within the bureau a 12-member advisory
2 committee. The members of the committee shall be appointed as
3 follows:

4 (1) Three members, who shall have a demonstrated record of
5 advocacy on behalf of consumers, of which the director, the Senate
6 Committee on Rules, and the Speaker of the Assembly shall each
7 appoint one member.

8 (2) Two members, who shall be current or past students of
9 institutions, appointed by the director.

10 (3) Three members, who shall be representatives of institutions,
11 appointed by the director.

12 (4) One public member appointed by the Senate Committee on
13 Rules.

14 (5) One public member appointed by the Speaker of the
15 Assembly.

16 (6) Two nonvoting, ex officio members as follows:

17 (A) The chair of a policy committee of the Assembly with
18 jurisdiction over legislation relating to the bureau appointed by
19 the Speaker of the Assembly. The chair may designate a
20 representative for any meeting or meetings he or she is unable to
21 attend.

22 (B) The chair of a policy committee of the Senate with
23 jurisdiction over legislation relating to the bureau appointed by
24 the Senate Committee on Rules. The chair may designate a
25 representative for any meeting or meetings he or she is unable to
26 attend.

27 (b) (1) A member appointed pursuant to paragraph (2), (4), or
28 (5) of subdivision (a) shall not, either at the time of his or her
29 appointment or during his or her tenure in office, have any financial
30 interest in any organization currently or previously subject to
31 regulation by the bureau, be a close family member of an employee,
32 officer, or the director of any institution subject to regulation by
33 the bureau, or currently have, or previously have had, a business
34 relationship, in the five years preceding his or her appointment,
35 with any institution subject to regulation by the bureau.

36 (2) A member appointed pursuant to paragraph (2), (4), or (5)
37 of subdivision (a) shall not, within the five years immediately
38 preceding his or her appointment, have engaged in pursuits on
39 behalf of an institution or institutional accreditor or have provided
40 representation to the postsecondary educational industry or a

1 profession regulated by the bureau, if he or she is employed in the
2 industry or a member of the profession, respectively, and he or
3 she shall not engage in those pursuits or provide that representation
4 during his or her term of office.

5 (c) The advisory committee shall examine the oversight
6 functions and operational policies of the bureau and advise the
7 bureau with respect to matters relating to private postsecondary
8 education and the administration of this chapter, including annually
9 reviewing the fee schedule and the equity of the schedule relative
10 to the way institutions are structured, and the licensing and
11 enforcement provisions of this chapter. The advisory committee
12 shall make recommendations with respect to policies, practices,
13 and regulations relating to private postsecondary education, and
14 shall provide any assistance as may be requested by the bureau.

15 (d) The bureau shall actively seek input from, and consult with,
16 the advisory committee regarding the development of regulations
17 to implement this chapter prior to the adoption, amendment, or
18 repeal of its regulations, and provide the advisory committee with
19 sufficient time to review and comment on those regulations. The
20 bureau shall take into consideration and respond to all feedback
21 provided by members of the advisory committee.

22 (e) The bureau chief shall attend all advisory committee
23 meetings and shall designate staff to provide ongoing
24 administrative support to the advisory committee.

25 (f) Until January 1, 2017, the director shall personally attend,
26 and testify and answer questions at, each meeting of the advisory
27 committee.

28 (g) ~~The ombudsperson~~ *chief* of the Office of Student Assistance
29 and Relief established in Article 20.6 (commencing with Section
30 ~~94949.7~~), ~~appointed pursuant to Section 94949.71, 94949.7~~) shall
31 attend, and testify and answer questions at, each meeting of the
32 advisory committee.

33 (h) The advisory committee shall have the same access to
34 records within the Department of Consumer Affairs related to the
35 operation and administration of this chapter as do members of
36 constituent boards of the department in regard to records related
37 to their functions.

38 (i) Advisory committee meetings shall be subject to the
39 Bagley-Keene Open Meeting Act (Article 9 (commencing with
40 Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of

1 the Government Code). Advisory committee meeting materials
2 shall be posted on the Internet. A majority of the ~~voting~~ *appointed*
3 members of the committee shall constitute a quorum for the
4 committee's meetings.

5 (j) The advisory committee shall meet at least quarterly and
6 shall appoint a member of the committee to represent the committee
7 for purposes of communicating with the Legislature.

8 (k) The Department of Consumer Affairs shall review, and
9 revise if necessary, the department's conflicts of interest regulations
10 to ensure that each advisory committee member is required to
11 disclose conflicts of interest to the public.

12 ~~SEC. 11.~~

13 *SEC. 12.* Section 94885 of the Education Code is amended to
14 read:

15 94885. (a) The bureau shall adopt by regulation minimum
16 operating standards for an institution that shall reasonably ensure
17 that all of the following occur:

18 (1) The content of each educational program can achieve its
19 stated objective.

20 (2) The institution maintains specific written standards for
21 student admissions for each educational program and those
22 standards are related to the particular educational program.

23 (3) The facilities, instructional equipment, and materials are
24 sufficient to enable students to achieve the educational program's
25 goals.

26 (4) The institution maintains a withdrawal policy and provides
27 refunds.

28 (5) The directors, administrators, and faculty are properly
29 qualified.

30 (6) The institution is financially sound and capable of fulfilling
31 its commitments to students.

32 (7) That, upon satisfactory completion of an educational
33 program, the institution gives students a document signifying the
34 degree or diploma awarded.

35 (8) Adequate records and standard transcripts are maintained
36 and are available to students.

37 (9) The institution is maintained and operated in compliance
38 with this chapter and all other applicable ordinances and laws.

39 (b) Except as provided in Section 94885.1, an institution offering
40 a degree must satisfy one of the following requirements:

1 (1) Accreditation by an accrediting agency recognized by the
2 United States Department of Education, with the scope of that
3 accreditation covering the offering of at least one degree program
4 by the institution.

5 (2) An accreditation plan, approved by the bureau, for the
6 institution to become fully accredited within five years of the
7 bureau's issuance of a provisional approval to operate to the
8 institution. The provisional approval to operate to an unaccredited
9 degree-offering institution shall be in compliance with Section
10 94885.5.

11 ~~SEC. 12.~~

12 *SEC. 13.* Section 94885.1 of the Education Code is amended
13 to read:

14 94885.1. (a) An institution that is not accredited by an
15 accrediting agency recognized by the United States Department
16 of Education and offering at least one degree program, and that
17 has obtained an approval to operate from the bureau on or before
18 January 1, 2015, shall be required to satisfy at least one of the
19 following no later than July 1, 2015:

20 (1) Accreditation by an accrediting agency recognized by the
21 United States Department of Education, with the scope of that
22 accreditation covering the offering of at least one degree program
23 by the institution.

24 (2) Compliance with subdivision (b).

25 (b) The bureau shall identify institutions that are subject to
26 subdivision (a) and notify those institutions by February 1, 2015,
27 of the accreditation requirements pursuant to this section and that
28 the institution is required *to* provide the following information to
29 the bureau if the institution plans to continue to offer a degree
30 program after July 1, 2015:

31 (1) An accreditation plan that, at a minimum, identifies an
32 accrediting agency recognized by the United States Department
33 of Education from which the institution will seek accreditation,
34 with the scope of that accreditation covering the offering of at least
35 one degree program, and outlines the process by which the
36 institution will achieve accreditation candidacy or pre-accreditation
37 by July 1, 2017, and full accreditation by July 1, 2020.

38 (2) Evidence of having achieved accreditation candidacy or
39 pre-accreditation by July 1, 2017.

1 (3) Evidence of having obtained full accreditation by July 1,
2 2020.

3 (4) Any additional documentation the bureau deems necessary.

4 (c) An institution that satisfies the requirements of subdivision
5 (b) shall comply with all of the following:

6 (1) Notify students seeking to enroll in the institution, in writing,
7 prior to the execution of the student's enrollment agreement, that
8 the institution's approval to offer a degree program is contingent
9 upon the institution being subsequently accredited.

10 (2) A visiting committee, empaneled by the bureau pursuant to
11 Section 94882, shall review the institution by January 1, 2017, and
12 determine if the institution is likely to achieve full accreditation
13 by July 1, 2020. If the visiting committee finds the institution
14 deficient in its accreditation plan, the bureau may prohibit the
15 institution from enrolling new students in its degree program or
16 programs, and require the execution of a teach-out plan for its
17 enrolled students.

18 (d) (1) The bureau shall, upon the timely submission of
19 sufficient evidence that an unaccredited institution is making strong
20 progress toward obtaining accreditation, grant an institution's
21 request for an extension of time, not to exceed two years, to meet
22 the requirements of this section.

23 (2) Evidence submitted to the bureau pursuant to paragraph (1)
24 shall include, but is not limited to, an amended accreditation plan
25 adequately identifying why pre-accreditation, accreditation
26 candidacy, or accreditation outlined in the original plan submitted
27 to the bureau was not achieved, active steps the institution is taking
28 to comply with this section, and documentation from an accrediting
29 agency demonstrating the institution's likely ability to meet the
30 requirements of this section.

31 (3) The bureau may establish policies and procedures to comply
32 with the requirements in this subdivision. Establishment of these
33 policies and procedures are exempt from Chapter 3.5 (commencing
34 with Section 11340), Chapter 4 (commencing with Section 11370),
35 Chapter 4.5 (commencing with Section 11400), and Chapter 5
36 (commencing with Section 11500) of Part 1 of Division 3 of Title
37 2 of the Government Code.

38 (e) Any institution that fails to comply with the requirements
39 of this section by the dates provided, as required, shall have its
40 approval to operate automatically suspended on the applicable

1 date. The bureau shall issue an order suspending the institution
2 and that suspension shall not be lifted until the institution complies
3 with the requirements of this section. A suspended institution shall
4 not enroll new students in any of its degree programs, and shall
5 execute a teach-out plan for its enrolled students.

6 (f) The bureau shall adopt emergency regulations for purposes
7 of implementing this section. The adoption of these regulations
8 shall be deemed to be an emergency and necessary for the
9 immediate preservation of the public peace, health and safety, or
10 general welfare for purposes of Sections 11346.1 and 11349.6 of
11 the Government Code. These emergency regulations shall become
12 law through the regular rulemaking process within one year of the
13 enactment of this section.

14 (g) This section shall remain in effect until January 1, 2023, and
15 as of that date is repealed, unless a later enacted statute, that is
16 enacted before January 1, 2023, deletes or extends that date.

17 ~~SEC. 13.~~

18 *SEC. 14.* Section 94885.5 of the Education Code is amended
19 to read:

20 94885.5. (a) If an institution that has not been accredited by
21 an accrediting agency recognized by the United States Department
22 of Education seeks to offer one or more degree programs, the
23 institution shall satisfy the following requirements in order to be
24 issued a provisional approval to operate from the bureau:

25 (1) The institution may not offer more than two degree programs
26 during the term of its provisional approval to operate.

27 (2) The institution shall submit an accreditation plan, approved
28 by the bureau, for the institution to become fully accredited within
29 five years of issuance of its provisional approval to operate. The
30 plan shall include, at a minimum, identification of an accreditation
31 agency recognized by the United States Department of Education,
32 from which the institution plans to seek accreditation, and outline
33 the process by which the institution will achieve accreditation
34 candidacy or pre-accreditation within two years, and full
35 accreditation within five years, of issuance of its provisional
36 approval.

37 (3) The institution shall submit to the bureau all additional
38 documentation the bureau deems necessary to determine if the
39 institution will become fully accredited within five years of
40 issuance of its provisional approval to operate.

1 (b) If an institution is granted a provisional approval to operate
2 pursuant to subdivision (a), the following is required:

3 (1) Students seeking to enroll in that institution shall be notified
4 in writing by the institution, prior to the execution of the student's
5 enrollment agreement, that the institution's approval to operate is
6 contingent upon it being subsequently accredited.

7 (2) Within the first two years of issuance of the provisional
8 approval, a visiting committee, empaneled by the bureau pursuant
9 to Section 94882, shall review the institution's application for
10 approval and its accreditation plan, and make a recommendation
11 to the bureau regarding the institution's progress to achieving full
12 accreditation.

13 (3) The institution shall provide evidence of accreditation
14 candidacy or pre-accreditation within two years of issuance of its
15 provisional approval, and evidence of accreditation within five
16 years of issuance of its provisional approval, with the scope of that
17 accreditation covering the offering of at least one degree program.

18 (c) An institution required to comply with this section that fails
19 to do so by the dates provided, as required, shall have its
20 provisional approval to operate automatically suspended on the
21 applicable date. The bureau shall issue an order suspending the
22 institution and that suspension shall not be lifted until the institution
23 complies with the requirements of this section. A suspended
24 institution shall not enroll new students in any of its degree
25 programs and shall execute a teach-out plan for its enrolled
26 students.

27 (d) (1) The bureau shall, upon the timely submission of
28 sufficient evidence that an unaccredited institution is making strong
29 progress toward obtaining accreditation, grant an institution's
30 request for an extension of time, not to exceed two years, to meet
31 the requirements of this section.

32 (2) Evidence submitted to the bureau pursuant to paragraph (1)
33 shall include, but is not limited to, an amended accreditation plan
34 adequately identifying why preaccreditation, accreditation
35 candidacy, or accreditation outlined in the original plan submitted
36 to the bureau was not achieved, active steps the institution is taking
37 to comply with this section, and documentation from an accrediting
38 agency demonstrating the institution's likely ability to meet the
39 requirements of this section.

(3) The bureau may establish policies and procedures to comply with the requirements in this subdivision. Establishment of these policies and procedures are exempt from Chapter 3.5 (commencing with Section 11340), Chapter 4 (commencing with Section 11370), Chapter 4.5 (commencing with Section 11400), and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(e) An institution issued a provisional approval under this section is required to comply with all other laws and regulations.

(f) The bureau shall adopt emergency regulations for purposes of implementing this section. The adoption of these regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare for purposes of Sections 11346.1 and 11349.6 of the Government Code. These emergency regulations shall become law through the regular rulemaking process within one year of the enactment of this section.

SEC. 15. Section 94889 of the Education Code is amended to read:

94889. (a) Except as provided in subdivision (b) of Section ~~94890~~, 94890 and subdivision (b) of this section, an approval to operate shall be for a term of five years.

(b) *The bureau may adopt, by regulation, a process by which an institution with an approval to operate may request, and be approved by the bureau for, an inactive status. The process shall ensure that the institution, upon reinstatement of its active approval to operate, satisfies the requirements of this chapter.*

~~SEC. 14.~~

SEC. 16. Section 94905 of the Education Code is amended to read:

94905. (a) During the enrollment process, an institution offering educational programs designed to lead to positions in a profession, occupation, trade, or career field requiring licensure in this state shall exercise reasonable care to determine if the student will not be eligible to obtain licensure in the profession, occupation, trade, or career field at the time of the student's graduation and shall provide all students enrolled in those programs with a written copy of the requirements for licensure established by the state, including any applicable course requirements established by the state. If the minimum course requirements of

1 the institution exceed the minimum requirements for state licensure,
2 the institution shall disclose this information, including a list of
3 those courses that are not required for state licensure. The
4 institution shall not execute an enrollment agreement with a student
5 that is known to be ineligible for licensure, unless the student's
6 stated objective is other than licensure.

7 (b) During the enrollment process, an institution may discuss
8 internships and student jobs available to the student during the
9 student's attendance at the institution. If the institution discusses
10 internships and student jobs, the institution shall disclose the
11 number of requests for internship and student job placement
12 assistance received by the institution during the immediately
13 preceding calendar year and the number of actual placements
14 during that year.

15 (c) During the enrollment process, an institution offering
16 educational programs designed to lead to positions in a profession,
17 occupation, trade, or career field where voluntary licensure by a
18 government agency is available, shall provide its students seeking
19 to enroll in those programs with a written copy of the requirements
20 for that voluntary licensure.

21 ~~SEC. 15.~~

22 *SEC. 17.* Section 94909 of the Education Code is amended to
23 read:

24 94909. (a) Except as provided in subdivision (d), prior to
25 enrollment, an institution shall provide a prospective student, either
26 in writing or electronically, with a school catalog containing, at a
27 minimum, all of the following:

28 (1) The name, address, telephone number, and, if applicable,
29 Internet Web site address of the institution.

30 (2) Except as specified in Article 2 (commencing with Section
31 94802), a statement that the institution is a private institution and
32 that it is approved to operate by the bureau.

33 (3) The following statements:

34 (A) "Any questions a student may have regarding this catalog
35 that have not been satisfactorily answered by the institution may
36 be directed to the Bureau for Private Postsecondary Education at
37 (address), Sacramento, CA (ZIP Code), (Internet Web site address),
38 (telephone and fax numbers)."

39 (B) "As a prospective student, you are encouraged to review
40 this catalog prior to signing an enrollment agreement. You are also

1 encouraged to review the School Performance Fact Sheet, which
2 must be provided to you prior to signing an enrollment agreement.”

3 (C) “A student or any member of the public may file a complaint
4 about this institution with the Bureau for Private Postsecondary
5 Education by calling (toll-free telephone number) or by completing
6 a complaint form, which can be obtained on the bureau’s Internet
7 Web site (Internet Web site address).”

8 (4) The address or addresses where class sessions will be held.

9 (5) A description of the programs offered and a description of
10 the instruction provided in each of the courses offered by the
11 institution, the requirements for completion of each program,
12 including required courses, any final tests or examinations, any
13 required internships or externships, and the total number of credit
14 hours, clock hours, or other increments required for completion.

15 (6) If the educational program is designed to lead to positions
16 in a profession, occupation, trade, or career field requiring licensure
17 in this state, a notice to that effect and a list of the requirements
18 for eligibility for licensure.

19 (7) Information regarding the faculty and their qualifications.

20 (8) A detailed description of institutional policies in the
21 following areas:

22 (A) Admissions policies, including the institution’s policies
23 regarding the acceptance of credits earned at other institutions or
24 through challenge examinations and achievement tests, admissions
25 requirements for ability-to-benefit students, and a list describing
26 any transfer or articulation agreements between the institution and
27 any other college or university that provides for the transfer of
28 credits earned in the program of instruction. If the institution has
29 not entered into an articulation or transfer agreement with any
30 other college or university, the institution shall disclose that fact.

31 (B) Cancellation, withdrawal, and refund policies, including an
32 explanation that the student has the right to cancel the enrollment
33 agreement and obtain a refund of charges paid through attendance
34 at the first class session, or the seventh day after enrollment,
35 whichever is later. The text shall also include a description of the
36 procedures that a student is required to follow to cancel the
37 enrollment agreement or withdraw from the institution and obtain
38 a refund consistent with the requirements of Article 13
39 (commencing with Section 94919).

40 (C) Probation and dismissal policies.

1 (D) Attendance policies.

2 (E) Leave-of-absence policies.

3 (9) The schedule of total charges for a period of attendance and
4 an estimated schedule of total charges for the entire educational
5 program.

6 (10) A statement reporting whether the institution participates
7 in federal and state financial aid programs, and if so, all consumer
8 information that is required to be disclosed to the student pursuant
9 to the applicable federal and state financial aid programs.

10 (11) A statement specifying that, if a student obtains a loan to
11 pay for an educational program, the student will have the
12 responsibility to repay the full amount of the loan plus interest,
13 less the amount of any refund, and that, if the student has received
14 federal student financial aid funds, the student is entitled to a refund
15 of the moneys not paid from federal student financial aid program
16 funds.

17 (12) A statement specifying whether the institution has a pending
18 petition in bankruptcy, is operating as a debtor in possession, has
19 filed a petition within the preceding five years, or has had a petition
20 in bankruptcy filed against it within the preceding five years that
21 resulted in reorganization under Chapter 11 of the United States
22 Bankruptcy Code (11 U.S.C. Sec. 1101 et seq.).

23 (13) If the institution provides placement services, a description
24 of the nature and extent of the placement services.

25 (14) A description of the student's rights and responsibilities
26 with respect to the Student Tuition Recovery Fund. This statement
27 shall specify that it is a state requirement that a student who pays
28 his or her tuition is required to pay a state-imposed assessment for
29 the Student Tuition Recovery Fund. This statement shall also
30 describe the purpose and operation of the Student Tuition Recovery
31 Fund and the requirements for filing a claim against the Student
32 Tuition Recovery Fund.

33 (15) The following statement:
34

35 “NOTICE CONCERNING TRANSFERABILITY OF
36 CREDITS AND CREDENTIALS EARNED AT OUR
37 INSTITUTION

38 The transferability of credits you earn at (name of institution)
39 is at the complete discretion of an institution to which you
40 may seek to transfer. Acceptance of the (degree, diploma, or

1 certificate) you earn in (name of educational program) is also
2 at the complete discretion of the institution to which you may
3 seek to transfer. If the (credits or degree, diploma, or
4 certificate) that you earn at this institution are not accepted at
5 the institution to which you seek to transfer, you may be
6 required to repeat some or all of your coursework at that
7 institution. For this reason you should make certain that your
8 attendance at this institution will meet your educational goals.
9 This may include contacting an institution to which you may
10 seek to transfer after attending (name of institution) to
11 determine if your (credits or degree, diploma, or certificate)
12 will transfer.”

13
14 (16) A statement specifying whether the institution, or any of
15 its degree programs, are accredited by an accrediting agency
16 recognized by the United States Department of Education. If the
17 institution is unaccredited and offers an associate, baccalaureate,
18 master’s, or doctoral degree, or is accredited and offers an
19 unaccredited program for an associate, baccalaureate, master’s, or
20 doctoral degree, the statement shall disclose the known limitations
21 of the degree program, including, but not limited to, all of the
22 following:

23 (A) Whether a graduate of the degree program will be eligible
24 to sit for the applicable licensure exam in California and other
25 states or become certified or registered as required for the
26 applicable profession, occupation, trade, or career field in
27 California.

28 (B) A degree program that is unaccredited or a degree from an
29 unaccredited institution is not recognized for some employment
30 positions, including, but not limited to, positions with the State of
31 California.

32 (C) That a student enrolled in an unaccredited institution is not
33 eligible for federal financial aid programs.

34 (b) If the institution has a general student brochure, the
35 institution shall provide that brochure to the prospective student
36 prior to enrollment. In addition, if the institution has a
37 program-specific student brochure for the program in which the
38 prospective student seeks to enroll, the institution shall provide
39 the program-specific student brochure to the prospective student
40 prior to enrollment.

1 (c) An institution shall provide the school catalog to any person
2 upon request. In addition, if the institution has student brochures,
3 the institution shall disclose the requested brochures to any
4 interested person upon request.

5 (d) An accredited institution is not required to provide a School
6 Performance Fact Sheet to a prospective student who is not a
7 California resident, not residing in California at the time of his or
8 her enrollment, and enrolling in an accredited distance learning
9 degree program offered by the institution, if the institution complies
10 with all federal laws, the applicable laws of the state where the
11 student is located, and other appropriate laws, including, but not
12 limited to, consumer protection and student disclosure
13 requirements.

14 ~~SEC. 16.~~

15 *SEC. 18.* Section 94923 of the Education Code is amended to
16 read:

17 94923. (a) The Student Tuition Recovery Fund relieves or
18 mitigates economic loss suffered by a student while enrolled in an
19 institution not exempt from this article pursuant to Article 4
20 (commencing with Section 94874), who, at the time of his or her
21 enrollment, was a California resident or was enrolled in a California
22 residency program, prepaid tuition, and suffered economic loss.

23 (b) (1) The bureau shall adopt, by regulation, procedures
24 governing the administration and maintenance of the Student
25 Tuition Recovery Fund. The fund shall be used to provide awards
26 to students who suffer economic loss.

27 (2) The following students, and any other students deemed
28 appropriate, are eligible for payment from the Student Tuition
29 Recovery Fund:

30 (A) Any student who was enrolled at an institution, at a location
31 of the institution, or in an educational program offered by the
32 institution, at the time that institution, location, or program was
33 closed or discontinued, as applicable, who did not choose to
34 participate in a teach-out plan approved by the bureau or did not
35 complete a chosen teach-out plan approved by the bureau.

36 (B) Any student who was enrolled at an institution or a location
37 of the institution within the 120-day period before the closure of
38 the institution or location of the institution, or who was enrolled
39 in an educational program within the 120-day period before the
40 program was discontinued.

1 (C) Any student who was enrolled at an institution or a location
2 of the institution more than 120 days before the closure of the
3 institution or location of the institution, in an educational program
4 offered by the institution as to which the bureau determines there
5 was a significant decline in the quality or value of the program
6 more than 120 days before closure.

7 (D) ~~A~~ *Notwithstanding the requirement that a student attend*
8 *an institution that is not exempt from this article, pursuant to*
9 *subdivision (a), a student who was enrolled at a California campus*
10 *of a Corinthian Colleges, Inc., institution or was a California*
11 *student enrolled in an online program offered by an out-of-state*
12 *campus of a Corinthian Colleges, Inc., institution, who also meets*
13 *all of the other eligibility requirements, if the student was enrolled*
14 *as of June 20, 2014, or withdrew within 120 days of that date or*
15 *any greater period determined by the bureau pursuant to this*
16 *section.*

17 (E) A student to whom an institution has been ordered to pay a
18 refund by the bureau but has failed to do so.

19 (F) A student to whom an institution has failed to pay or
20 reimburse loan proceeds under a federal student loan program as
21 required by law, or has failed to pay or reimburse proceeds received
22 by the institution in excess of tuition and other costs.

23 (G) A student who has been awarded restitution, a refund, or
24 other monetary award by an arbitrator or court, based on a violation
25 of this chapter by an institution or representative of an institution,
26 but who has been unable to collect the award from the institution.
27 The bureau shall review the award or judgment and shall ensure
28 the amount to be paid from the fund does not exceed the student's
29 economic loss.

30 (H) *Notwithstanding the definition of economic loss in*
31 *subdivision (f), for purposes of recovery from the Student Tuition*
32 *Recovery Fund, a student who has sought legal counsel that*
33 *resulted in the cancellation of one or more student loans in*
34 *connection with his or her Student Tuition Recovery Fund claim*
35 *may seek reimbursement for legal services rendered in an amount*
36 *up to five hundred dollars (\$500). The bureau shall review the*
37 *invoice of the legal services rendered and evidence of the*
38 *cancellation of the student loan or loans, and upon verifying that*
39 *cancellation, pay the claim directly to the student.*

1 (c) Any student who is required to pay a Student Tuition
2 Recovery Fund assessment who pays tuition equal to or greater
3 than the required assessment shall be deemed to have paid the
4 required assessment, whether or not his or her enrollment
5 agreement specifies collection of the required assessment, and
6 whether or not the institution identifies any money collected from
7 the student as a Student Tuition Recovery Fund assessment.

8 (d) A student who suffers educational opportunity losses, whose
9 charges are paid by a third-party payer, is eligible for educational
10 credits under the fund.

11 (e) The bureau may seek repayment to the Student Tuition
12 Recovery Fund from an institution found in violation of the law
13 for which a student claim was paid. An institution shall not be
14 eligible to renew its approval to operate with the bureau if the
15 repayment is not made to the bureau as requested.

16 (f) For purposes of this section, “economic loss” includes, but
17 is not necessarily limited to, pecuniary loss, which is the sum of
18 the student’s tuition, all other institutional charges as defined in
19 Section 94844, the cost of equipment and materials required for
20 the educational program as defined in Section 94837, interest on
21 any student loan used to pay for such charges, collection costs,
22 penalties, and any license or examination fees the student paid to
23 the institution but is unable to recover. Economic loss shall also
24 include the amount the institution collected and failed to pay to
25 third parties on behalf of the student for license fees or any other
26 purpose. Economic loss does not include Student Tuition Recovery
27 Fund assessments, unless the student is entitled to a full refund
28 under Section 94919 or 94920, room and board, supplies,
29 transportation, application fees, or nonpecuniary damages such as
30 inconvenience, aggravation, emotional distress, or punitive
31 damages. Economic loss does not include legal fees, attorney fees,
32 court costs, or arbitration fees. Nothing in this subdivision shall
33 prevent the bureau from further defining economic loss to include
34 loss of educational opportunity.

35 ~~(g) Any representation or agreement by a person or entity not~~
36 ~~to collect a student loan obligation does not reduce a student’s~~
37 ~~eligibility for recovery from the Student Tuition Recovery Fund~~
38 ~~or reduce the student’s economic loss, unless the student loan~~
39 ~~obligation is forgiven, discharged, or canceled.~~

1 (g) *As a condition of the bureau satisfying a student loan*
2 *obligation on behalf of a Student Tuition Recovery Fund applicant,*
3 *the loan servicer or debtholder shall submit a letter stating that*
4 *the servicer or holder will no longer collect on the debt and shall*
5 *report the debt as “paid in full” to all credit reporting agencies.*
6 *The bureau shall retain a copy of that letter and provide the*
7 *original to the applicant.*

8 (h) ~~The~~ *Except as provided in subdivision (i), the bureau shall*
9 *require a student seeking reimbursement from the Student Tuition*
10 *Recovery Fund to file a written application that shall be received*
11 *by the bureau no later than four years after the date of the action*
12 *that made the student eligible for recovery from the Student Tuition*
13 *Recovery Fund.*

14 (i) *Any student whose loan is revived by a loan holder or debt*
15 *collector after a period of noncollection by the holder or collector*
16 *may, at any time, file a written application for recovery from the*
17 *Student Tuition Recovery Fund for the debt that would have been*
18 *otherwise eligible for recovery under this section.*

19 SEC. 19. *Section 94930.5 of the Education Code is amended*
20 *to read:*

21 94930.5. Subject to Section 94930, an institution shall remit
22 to the bureau for deposit in the Private Postsecondary Education
23 Administration Fund the following fees, in accordance with the
24 following schedule:

25 (a) The following fees shall be remitted by an institution
26 submitting an application for an approval to operate, if applicable:

27 (1) Application fee for an approval to operate: five thousand
28 dollars (\$5,000).

29 (2) Application fee for the approval to operate a new branch of
30 the institution: three thousand dollars (\$3,000).

31 (3) Application fee for an approval to operate by means of
32 accreditation: seven hundred fifty dollars (\$750).

33 (b) The following fees shall be remitted by an institution seeking
34 a renewal of its approval to operate, if applicable:

35 (1) Renewal fee for the main campus of the institution: three
36 thousand five hundred dollars (\$3,500).

37 (2) Renewal fee for a branch of the institution: three thousand
38 dollars (\$3,000).

39 (3) Renewal fee for an institution that is approved to operate by
40 means of accreditation: five hundred dollars (\$500).

(c) The following fees shall apply to an institution seeking authorization of a substantive change to its approval to operate, if applicable:

(1) Processing fee for authorization of a substantive change to an approval to operate: five hundred dollars (\$500).

(2) Processing fee in connection with a substantive change to an approval to operate by means of accreditation: two hundred fifty dollars (\$250).

(d) (1) In addition to any fees paid to the bureau pursuant to subdivisions (a) to (c), inclusive, each institution that is approved to operate pursuant to this chapter shall remit both of the following:

(A) An annual ~~institutional fee, fee for each campus designated by the institution as a main campus location in California~~, in an amount equal to ~~three-quarters of~~ 0.55 percent of the campus' total gross revenue derived from students in California, but not exceeding a total of twenty-five thousand dollars (\$25,000) annually: to be less than two thousand five hundred dollars (\$2,500) and not to exceed sixty thousand dollars (\$60,000).

(B) An annual ~~branch campus fee of one thousand dollars (\$1,000)~~ for each branch or campus of the institution operating in California: in an amount equal to 0.55 percent of the branch's total gross revenue derived from students in California, but not to be less than two thousand five hundred dollars (\$2,500) and not to exceed sixty thousand dollars (\$60,000).

(2) The amount of the annual fees pursuant to paragraph (1) shall be proportional to the bureau's cost of regulating ~~the institution~~ institutions under this ~~chapter~~ chapter, but shall not exceed seven hundred fifty thousand dollars (\$750,000) for any institution.

~~SEC. 17.~~

SEC. 20. Section 94932 of the Education Code is amended to read:

94932. The bureau shall determine an institution's compliance with the requirements of this chapter. The bureau shall have the power to require reports that institutions shall file with the bureau in addition to the annual report, to send staff to an institution's sites, and to require documents and responses from an institution to monitor compliance. When the bureau has reason to believe that an institution may be out of compliance, it shall conduct an investigation of the institution. If the bureau determines, after

1 completing a compliance inspection or investigation, that an
2 institution has violated any applicable law or regulation, the bureau
3 shall take appropriate action pursuant to this article.

4 ~~SEC. 18.~~

5 *SEC. 21.* Section 94934.5 is added to the Education Code, to
6 read:

7 94934.5. (a) An institution with an approval to operate that
8 knows or reasonably should know that it is being investigated by
9 an oversight entity other than the bureau shall report that
10 investigation, including the nature of that investigation, to the
11 bureau within 30 days of the institution's first knowledge of the
12 investigation. An institution with an approval to operate that is the
13 subject of a judgment by, a regulatory action by, increased
14 oversight or monitoring by, or a settlement with, any oversight
15 entity other than the bureau shall report it to the bureau within 30
16 days. Failure to comply with this section may subject the institution
17 to an administrative citation pursuant to Section 94936.

18 (b) For the purposes of this section, "investigation" means any
19 inquiry into possible violations of any applicable laws or
20 accreditation standards.

21 (c) For the purposes of this section, "oversight entity" means
22 ~~any federal government agency, government agency of any state,~~
23 ~~or any accrediting agency.~~ *all of the following:*

24 (1) *Any federal or state entity that provides financial aid to*
25 *students of an institution or approves an institution for*
26 *participation in a financial aid program.*

27 (2) *Any state or federal attorney general's office or department*
28 *of justice.*

29 (3) *Any regulator that approves the operation of the institution.*

30 (4) *The federal Consumer Financial Protection Bureau or the*
31 *federal Securities and Exchange Commission.*

32 (5) *Any accrediting agency.*

33 (6) *Any state professional licensing entity that exercises any*
34 *programmatic or institutional approval over an institution.*

35 ~~SEC. 19.~~

36 *SEC. 22.* Section 94936 of the Education Code is amended to
37 read:

38 94936. (a) As a consequence of ~~a compliance inspection or~~
39 ~~an investigation, which may incorporate any materials obtained~~
40 ~~or produced in connection with a compliance inspection, and upon~~

1 a finding that the institution has committed a violation of this
2 chapter or that the institution has failed to comply with a notice to
3 comply pursuant to Section 94935, the bureau shall issue a citation
4 to an institution for violation of this chapter, or regulations adopted
5 pursuant to this chapter.

6 (b) The citation may contain any of the following:

7 (1) An order of abatement that may require an institution to
8 demonstrate how future compliance with this chapter or regulations
9 adopted pursuant to this chapter will be accomplished.

10 (2) Notwithstanding Section 125.9 of the Business and
11 Professions Code, an administrative fine not to exceed five
12 thousand dollars (\$5,000) for each violation. The bureau shall base
13 its assessment of the administrative fine on:

14 (A) The nature and seriousness of the violation.

15 (B) The persistence of the violation.

16 (C) The good faith of the institution.

17 (D) The history of previous violations.

18 (E) The purposes of this chapter.

19 (F) The potential harm to students.

20 (3) An order to compensate students for harm, including a refund
21 of moneys paid to the institution by or on behalf of the student, as
22 determined by the bureau.

23 (c) (1) The citation shall be in writing and describe the nature
24 of the violation and the specific provision of law or regulation that
25 is alleged to have been violated.

26 (2) The citation shall inform the institution of its right to request
27 a hearing in writing within 30 days from service of the citation.

28 (3) If a hearing is requested, the bureau shall select an informal
29 hearing pursuant to Article 10 (commencing with Section
30 11445.10) of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the
31 Government Code or a formal hearing pursuant to Chapter 5
32 (commencing with Section 11500) of Part 1 of Division 3 of Title
33 2 of the Government Code.

34 (4) If a hearing is not requested, payment of the administrative
35 fine is due 30 days from the date of service, and shall not constitute
36 an admission of the violation charged.

37 (5) If a hearing is conducted and payment of an administrative
38 fine is ordered, the administrative fine is due 30 days from when
39 the final order is entered.

(6) The bureau may enforce the administrative fine as if it were a money judgment pursuant to Title 9 (commencing with Section 680.010) of Part 2 of the Code of Civil Procedure.

(d) All administrative fines shall be deposited in the Private Postsecondary Education Administration Fund.

~~SEC. 20.~~

SEC. 23. Section 94937 of the Education Code is amended to read:

94937. (a) As a consequence of ~~a compliance inspection or~~ an investigation, *which may incorporate any materials obtained or produced in connection with a compliance inspection*, and upon a finding that an institution has committed a violation, the bureau may place an institution on probation or may suspend or revoke an institution's approval to operate for:

(1) Obtaining an approval to operate by fraud.

(2) A material violation or repeated violations of this chapter or regulations adopted pursuant to this chapter that have resulted in harm to students. For purposes of this paragraph, "material violation" includes, but is not limited to, misrepresentation, fraud in the inducement of a contract, and false or misleading claims or advertising, upon which a student reasonably relied in executing an enrollment agreement and that resulted in harm to the student.

(b) The bureau shall adopt regulations, within one year of the enactment of this chapter, governing probation and suspension of an approval to operate.

(c) The bureau may seek reimbursement pursuant to Section 125.3 of the Business and Professions Code.

(d) An institution shall not be required to pay the cost of investigation to more than one agency.

~~SEC. 21.~~

SEC. 24. Section 94944 of the Education Code is amended to read:

94944. Notwithstanding any other provision of law, the bureau shall cite any person, and that person shall be subject to a fine not to exceed one hundred thousand dollars (\$100,000), for operating an institution without proper approval to operate issued by the bureau pursuant to this chapter.

~~SEC. 22. Article 20.5 (commencing with Section 94949.5) is added to Chapter 8 of Part 59 of Division 10 of Title 3 of the Education Code, to read:~~

Article 20.5. Enforcement Monitor

~~94949.5. (a) (1) The director shall appoint an enforcement monitor no later than March 1, 2017. The director may retain a person for this position by a personal services contract. In this connection, the Legislature finds, pursuant to Section 19130 of the Government Code, that this is a new state function.~~

~~(2) The director shall supervise the enforcement monitor and may terminate or dismiss him or her from this position. If the monitor is terminated or dismissed, the director shall appoint a replacement monitor within two months.~~

~~(3) The monitoring duty of the enforcement monitor shall be on a continuing basis for a period of no more than two years from the date of the initial enforcement monitor's appointment.~~

~~(b) The enforcement monitor shall monitor and evaluate the bureau's enforcement efforts, with specific concentration on the adequacy of bureau compliance inspections, handling and processing of student complaints, and timely application of sanctions or discipline imposed on institutions and persons in order to protect the public.~~

~~(c) The enforcement monitor shall exercise no authority over the bureau's management or staff; however, the bureau and its staff shall cooperate with the monitor and shall provide data, information, and files as requested by the monitor to perform all of his or her duties.~~

~~(d) The director shall assist the enforcement monitor in the performance of his or her duties, and the monitor shall have the same investigative authority as the director.~~

~~(e) The director shall specify additional duties of the enforcement monitor.~~

~~(f) (1) The enforcement monitor shall submit to the department and the Legislature, in compliance with Section 9795 of the Government Code, an initial written report of his or her findings and conclusions no later than July 1, 2018, and a subsequent written report no later than November 1, 2018. The enforcement monitor shall be available to make oral reports to the department or the Legislature if requested to do so. The monitor may also provide additional information to either the department or the Legislature at his or her discretion or at the request of either the department or the Legislature. The monitor shall make his or her reports~~

1 available to the public or the media. The monitor shall make every
2 effort to provide the bureau with an opportunity to reply to any
3 facts, findings, issues, or conclusions made in his or her reports to
4 the department or the Legislature with which the bureau may
5 disagree.

6 (2) ~~The enforcement monitor shall issue a final written report~~
7 ~~before January 1, 2019. The final report shall include final findings~~
8 ~~and conclusions on the topics addressed in the initial report~~
9 ~~submitted by the monitor pursuant to paragraph (1).~~

10 (g) ~~The bureau shall pay for all of the costs associated with the~~
11 ~~employment of the enforcement monitor.~~

12 ~~94949.6. This article shall remain in effect only until March~~
13 ~~1, 2019, and as of that date is repealed, unless a later enacted~~
14 ~~statute, that is enacted before March 1, 2019, deletes or extends~~
15 ~~that date.~~

16 ~~SEC. 23.~~

17 *SEC. 25.* Article 20.6 (commencing with Section 94949.7) is
18 added to Chapter 8 of Part 59 of Division 10 of Title 3 of the
19 Education Code, to read:

20
21 Article 20.6. Office of Student Assistance and Relief
22

23 94949.7. There is hereby established ~~within the department~~ an
24 Office of Student Assistance and Relief for the purpose of
25 advancing and promoting the rights of prospective students, current
26 students, or past students of private postsecondary educational
27 institutions.

28 94949.71. (a) The duties of the office shall be vested in ~~an~~
29 ~~ombudsperson, a chief, who shall be appointed by, and report to,~~
30 ~~by the director. The ombudsperson chief, and each staff employee~~
31 ~~of the office,~~ shall have experience and ~~expertise~~ *expertise,*
32 *commensurate with his or her position,* advocating on behalf of
33 students and consumers and shall have knowledge in the state and
34 federal laws governing student protection, student financial aid
35 and loan programs, and the policies and practices of private
36 postsecondary educational institutions.

37 (b) ~~For purposes of this article, the following terms have the~~
38 ~~following meanings:~~

39 (1) ~~“Department” means the Department of Consumer Affairs.~~

40 (2) ~~“Office” means the Office of Student Assistance and Relief.~~

1 (b) For purposes of this article, “office” means the Office of
2 Student Assistance and Relief.

3 94949.72. Duties of the office shall ~~include, but are not limited~~
4 ~~to, include~~ all of the following:

5 (a) ~~Conducting outreach to students and prospective students~~
6 ~~to provide them with, among other information, information on~~
7 ~~making an informed decision regarding the selection of a~~
8 ~~postsecondary educational institution, student rights regarding~~
9 ~~school performance disclosures, enrollment agreements, and~~
10 ~~cancellation and refund policies, how to contact the office and the~~
11 ~~bureau for assistance, student loan rights and assistance, and free~~
12 ~~nonprofit community-based resources; and providing information~~
13 ~~and assistance to students who have been affected by the unlawful~~
14 ~~activities or closure of an institution regarding their rights under~~
15 ~~state and federal law and to ensure that those students successfully~~
16 ~~access available state and federal relief programs. With existing~~
17 ~~resources provided to the bureau and department, the office shall~~
18 ~~prioritize and immediately conduct the activities outlined in Section~~
19 94949.73.

20 (b) ~~Coordinating with the bureau and facilitating and the~~
21 ~~department to facilitate~~ resolution of student concerns related to
22 the bureau’s performance of its responsibilities, including concerns
23 that arise related to the bureau’s handling of a complaint or its
24 administration of the Student Tuition Recovery Fund established
25 in Article 14 (commencing with Section 94923).

26 (c) ~~Coordinating with the department, including the bureau,~~
27 ~~regarding an Internet Web site that provides information to students~~
28 ~~about the rights and protections available to them. The Internet~~
29 ~~Web site shall include information about relevant services available~~
30 ~~from other governmental organizations and local nonprofit~~
31 ~~community service organizations.~~

32 (d)

33 (c) Serving as a primary point of contact to address the needs
34 of private postsecondary education students and working in
35 consultation with state and federal agencies, including, but not
36 limited to, the Student Aid Commission, the Office of the
37 Chancellor of the California Community Colleges, the Department
38 of Veterans Affairs, the federal Consumer Financial Protection
39 Bureau, and the United States Department of Education.

~~(e) Providing outreach and coordinating services for students following the unlawful closure of an institution that was approved to operate by the bureau.~~

(d) The office may also conduct both of the following activities:

(1) Provide outreach to students and prospective students to provide them with, among other information, information on making informed decisions in selecting postsecondary educational institutions, student rights regarding school performance disclosures, enrollment agreements, and cancellation and refund policies, how to contact the office and the bureau for assistance, student loan rights and assistance, and free nonprofit community based resources.

(2) Conduct data and information research from various sources, including, but not limited to, annual reports provided to the bureau pursuant to Section 94934, the United States Department of Education, accrediting agencies, and the California Department of Veterans Affairs to identify potential violations of the act. The office shall advise the director and bureau chief of its findings.

(e) The office shall provide, pursuant to Section 9795 of the Government Code, to the Legislature an annual written update regarding the office's progress in protecting students and conducting the duties of the office.

~~94949.73. (a) A pilot program is hereby created to provide grant funds in accordance with this section to eligible nonprofit community service organizations to assist eligible students by relieving or mitigating the economic and educational opportunity loss incurred by those students who attended a Corinthian Colleges, Inc. institution.~~

~~(b) (1) The terms and conditions of the grant agreements shall ensure that grant funds are used for the exclusive purpose of providing outreach and assistance to eligible students with federal and private loan discharges, recovery through the Student Tuition Recovery Fund established in Article 14 (commencing with Section 94923), and other financial aid relief.~~

~~(2) Services provided by eligible nonprofit community service organizations shall include, but are not to be limited to, outreach and education, screening requests for assistance, referring students for additional assistance through pro bono referral programs,~~

1 referring students to the bureau, as appropriate, and other services
2 related to obtaining financial aid relief for students.

3 ~~(3) This subdivision is not intended to prohibit a nonprofit~~
4 ~~community service organization from using grant funds to screen~~
5 ~~student requests for assistance in order to determine if a student~~
6 ~~meets assistance eligibility requirements.~~

7 94949.73. (a) *The office shall provide individualized assistance*
8 *to students to relieve or mitigate the economic and educational*
9 *opportunity loss incurred by those students who attended a*
10 *Corinthian Colleges, Inc., institution or other eligible institution.*

11 (b) *Specific services provided by the office shall include all of*
12 *the following:*

13 (1) *Outreach and education to students regarding the assistance*
14 *available from the office.*

15 (2) *Screening requests for assistance received by the office and*
16 *providing individualized assistance to help students determine*
17 *their relief eligibility, identify and obtain necessary documents,*
18 *complete and submit applications, and provide additional services*
19 *as necessary.*

20 (c) ~~For purposes of this section, an “eligible nonprofit~~
21 ~~community service organization” is an organization that satisfies~~
22 ~~all of the following conditions:~~

23 (1) ~~The organization is a 501(c)(3) tax-exempt organization in~~
24 ~~good standing with the federal Internal Revenue Service and in~~
25 ~~compliance with all applicable laws and requirements.~~

26 (2) ~~The organization demonstrates expertise in providing~~
27 ~~outreach and assisting students with, and currently provides free~~
28 ~~direct services to students for, student loan discharge and~~
29 ~~forgiveness, and student tuition recovery-related matters.~~

30 (3) ~~The organization does not charge students for any services,~~
31 ~~including services provided pursuant to this section.~~

32 (d)

33 (c) ~~For purposes of this section, an “eligible student” is a student~~
34 ~~who was enrolled at a California campus of, or a California student~~
35 ~~who was enrolled in an online campus of, a Corinthian Colleges,~~
36 ~~Inc. institution, and who has been screened by the nonprofit~~
37 ~~community service organization and determined to be eligible for~~
38 ~~debt relief from the United States Department of Education or~~
39 ~~other student financial aid relief. “other eligible institution” means~~
40 ~~an institution identified by the office whose unlawful activities or~~

1 *closure has resulted in its students being eligible for repayment*
2 *from the Student Tuition Recovery Fund, debt relief from the United*
3 *States Department of Education, or other student financial aid*
4 *relief.*

5 ~~(e) (1) By March 1, 2017, the office shall solicit grant~~
6 ~~applications from eligible nonprofit community service~~
7 ~~organizations, select one or more of these organizations from~~
8 ~~among the applicants who are deemed to be qualified, set additional~~
9 ~~terms and conditions of the grants as necessary to fulfill the~~
10 ~~requirements of this section, and notify the recipient organization~~
11 ~~or organizations of the selection and the share of grant funds~~
12 ~~available that the organization shall receive.~~

13 ~~(2) The office shall award the full amount of authorized grant~~
14 ~~funds, unless it does not receive a sufficient number of applications~~
15 ~~from eligible nonprofit community service organizations or it has~~
16 ~~good cause to determine that an expenditure of the full amount~~
17 ~~authorized is not necessary. If the office determines expenditure~~
18 ~~of the full amount is not necessary, it shall provide a detailed~~
19 ~~explanation of its determination to the Legislature.~~

20 ~~(3) In selecting the grantees and awarding funds to each grantee,~~
21 ~~the office shall ensure geographical distribution according to the~~
22 ~~location of eligible students, as best can be determined.~~

23 ~~(f) (1) Within 30 days of selection, an eligible nonprofit~~
24 ~~community service organization that receives funds pursuant to~~
25 ~~this section shall enter into a grant agreement with the office and~~
26 ~~shall use grant funds exclusively for the purposes set forth in this~~
27 ~~section and in accordance with the agreement.~~

28 ~~(2) Any unused funds by the grantees shall be returned to the~~
29 ~~office, except that, upon the approval of the office, an eligible~~
30 ~~nonprofit community service organization may expend funds to~~
31 ~~provide assistance to students who attended an institution that~~
32 ~~closed unlawfully and was approved to operate by the bureau.~~

33 ~~(3) The office may terminate the grant agreement for material~~
34 ~~breach, and may require repayment of funds provided to the~~
35 ~~nonprofit community service organization during the time that the~~
36 ~~agreement was being materially breached. However, the office~~
37 ~~shall provide the grantee with written notice of the breach and a~~
38 ~~reasonable opportunity of not less than 30 days to resolve the~~
39 ~~breach.~~

~~(g) An eligible nonprofit community service organization that receives a grant shall give priority to students who were enrolled in Corinthian Colleges, Inc., and are eligible for a federal closed school loan discharge or relief under the Student Tuition Recovery Fund established in Article 14 (commencing with Section 94923), if demand exceeds available grant funds. The organization may give priority to low-income students or may provide assistance regardless of student income level.~~

~~(h) (1) An eligible nonprofit community service organization that receives a grant shall report to the office quarterly through the grant period on all of the following:~~

~~(d) (1) The office shall quarterly report by posting on the bureau's Internet Web site, through September 1, 2018, on all of the following:~~

~~(A) The number of eligible students served pursuant to the grant agreement. (A) A summary of the outreach and education activities conducted by the office pursuant to the requirements of paragraph (1) of subdivision (b) and the number of students served from Corinthian Colleges, Inc., institutions and every other eligible institution.~~

~~(B) A detailed summary of services provided to those students, as follows:~~

~~(i) The number of students assisted with submitting Student Tuition Recovery Fund claims referred or submitted to the bureau by the organization. To the degree the organization has access to the following information, the report shall include, office, and of the claims submitted, the number that are pending, on appeal, or have been approved or denied; for the claims that have been approved or denied, denied. For the claims that have been approved, the office shall report the amount of student loans canceled, the total of student loans paid off, the total amount of cash reimbursed to students, and the total amount of educational credit granted.~~

~~(ii) The number of students assisted with submitting federal loan forgiveness claims submitted. Of claims, and of the claims submitted, the number of those claims that are pending, on appeal, or have been approved or denied. For the claims submitted by the organization on behalf of the student, the organization shall also report that have been approved, the office shall report the estimated~~

1 total in student loans canceled and the total amount of funds
2 refunded to students.

3 (iii) The number of students ~~helped~~ *assisted* with private student
4 ~~loans, loan relief,~~ other than through Student Tuition Recovery
5 Fund claims, and a summary of assistance ~~provided.~~ *provided and*
6 *relief outcomes obtained.*

7 (iv) The number of students whom the ~~organization helped~~ *office*
8 *helped* to obtain income-dependent repayment plans on their federal
9 loans, and of those students, the number of students helped out of
10 default on the federal loans through consolidation or rehabilitation.

11 (v) ~~The number of students screened by the nonprofit community~~
12 ~~service organization who were determined ineligible for assistance~~
13 ~~with debt relief pursuant to subdivision (d), a summary of reasons~~
14 ~~for ineligibility, and a summary of any services or referral~~
15 ~~information provided to those students.~~

16 (vi) ~~Any other information that is deemed reasonably necessary.~~

17 (2) ~~The office shall make the reports submitted pursuant to~~
18 ~~paragraph (1) available to the Legislature and the department upon~~
19 ~~request.~~

20 (3)

21 (2) ~~The office shall provide the Legislature and the department~~
22 ~~provide, pursuant to Section 9795 of the Government Code, the~~
23 ~~Legislature, the department, and the bureau a final report~~
24 ~~summarizing the information submitted pursuant to paragraph (1)~~
25 ~~promptly following the time when all funds are expended by the~~
26 ~~grantees or by January 1, 2020, whichever is earlier. 2019.~~

27 (j) ~~Funds shall be distributed to preapproved nonprofit~~
28 ~~community service organizations as follows:~~

29 (1) ~~Fifty percent shall be distributed to the grantee within 30~~
30 ~~days of the grantee entering into a grant agreement.~~

31 (2) ~~Twenty-five percent shall be distributed to the grantee upon~~
32 ~~the submission of the grantee's second quarterly report.~~

33 (3) ~~Twenty-five percent shall be distributed to the grantee upon~~
34 ~~the submission of the grantee's third quarterly report.~~

35 (k) ~~The adoption of any regulation pursuant to this section shall~~
36 ~~be deemed to be an emergency and necessary for the immediate~~
37 ~~preservation of the public health and safety, or general welfare.~~

38 (l) ~~This section shall remain in effect only until January 1, 2021,~~
39 ~~and as of that date is repealed, unless a later enacted statute, that~~
40 ~~is enacted before January 1, 2021, deletes or extends that date.~~

1 *SEC. 26. Section 94950 of the Education Code is amended to*
2 *read:*

3 94950. This chapter shall remain in effect only until January
4 1, 2017, 2021, and as of that date is repealed, unless a later enacted
5 statute, that is enacted before January 1, 2017, 2021, deletes or
6 extends that date.

7 ~~SEC. 24. The sum of one million three hundred thousand~~
8 ~~dollars (\$1,300,000) is appropriated from the Student Tuition~~
9 ~~Recovery Fund to the Office of Student Assistance and Relief, as~~
10 ~~established in Section 94949.7 of the Education Code, for the~~
11 ~~purposes of providing grants pursuant to the pilot program~~
12 ~~established in Section 94949.73 of the Education Code.~~

13 *SEC. 27. The Legislature finds and declares that the*
14 *reimbursement of legal fees, as provided in subparagraph (H) of*
15 *paragraph (2) of subdivision (b) of Section 94923 of the Education*
16 *Code, is intended to encourage and support the efforts of nonprofit*
17 *legal service organizations and pro bono attorneys to secure*
18 *student debt cancellation. Complicated student loan cases often*
19 *require extensive time and resources. The reimbursement provided*
20 *is not intended to reflect the work associated with successful*
21 *student debt cancellation.*

22 *SEC. 28. No reimbursement is required by this act pursuant*
23 *to Section 6 of Article XIII B of the California Constitution because*
24 *the only costs that may be incurred by a local agency or school*
25 *district will be incurred because this act creates a new crime or*
26 *infraction, eliminates a crime or infraction, or changes the penalty*
27 *for a crime or infraction, within the meaning of Section 17556 of*
28 *the Government Code, or changes the definition of a crime within*
29 *the meaning of Section 6 of Article XIII B of the California*
30 *Constitution.*